

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
CRITTENDEN-LIVINGSTON COUNTY WATER)	2024-00278
DISTRICT)	

RESPONSE OF CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S THIRD REQUEST FOR
INFORMATION DATED MAY 15, 2025

Commission expiration: April 3rd 2028

Crittenden-Livingston County Water District

Case No. 2024-00278

Commission Staff's Third Request for Information

Witnesses: Abbie Adamson

1. Refer to Crittenden-Livingston District's response to Commission Staff's Second Request for Information (Staff's Second Request), Items 3-11, regarding the items outlined in the chart below.

Date	Number	Vendor	Description	Amount	DR2 Capitalize?
01/11/2023	31044	Ferguson Waterworks	Pressure Valves and Setters	\$ 12,813.54	Y
01/27/2023	7403334	GlobalTech Power	covered by insurance	10,000.00	N
03/29/2023	232611-1	All Service Contracting Corp.	Filter Rehab project	22,446.00	N
04/18/2023	21395	Pittsburg Tank & Tower Maint. Co.	Filter Rehab project	29,427.30	N
04/20/2023	42680	Southern Electric Motor Sales & Service,	replace variable frequency drive at water plant	16,237.11	N
06/05/2023	531053	Sidener Environmental Services	rebuild chlorine feed equipment	4,826.79	N
06/08/2023	31384	All Service Contracting Corp.	Filter Rehab project	125,562.00	N
08/23/2023	08232301	HTI, Inc.	SCADA upgrades	9,412.00	N
10/12/2023	401287104	Xylem	backwash lagoon cleanout	4,267.56	N
12/29/2023	143295	Mainstream Commercial Divers, Inc.	divers to install plug in wet well	4,127.10	N
		Total		<u>\$ 239,119.40</u>	

621.03 Repairs & Maint - Pumps & Tanks

Date	Number	Vendor	Description	Amount	
03/02/2023	2323	Complete Restoration LLC	water tank painting	\$ 17,972.50	N
03/14/2023	2323-1	Complete Restoration LLC	water tank painting	17,972.50	N
04/20/2023	42679	Southern Electric Motor Sales & Service,	complete pump rebuild	7,454.23	N
05/18/2023	42733	Southern Electric Motor Sales & Service,	Filter Rehab project	2,060.00	N
10/17/2023	1102	Independent Tank and Tower, Inc.	painted tank head	11,000.00	N
11/03/2023	43061	Southern Electric Motor Sales & Service,	rebuilt river pump	13,607.38	N
11/30/2023	41000	Guthrie Sales & Service	replacing piping in wet well	3,616.63	N
12/28/2023	2301	Midco Diving & Marine Services, Inc	divers mounted blank of end of pipe in river	<u>9,317.35</u>	N
		Total		<u>\$ 83,000.59</u>	

- a. Provide the NARUC depreciation life for the items referenced procured through Ferguson Waterworks for \$12,813.54.

Response: There was some confusion on this invoice originally. This actually was not capitalized and was for items that were returned. The \$12,813.54 mentioned in item 1a was coded to repairs and maintenance and then refunded in August 2023.

DATE	TYPE	NUM	NAME	ACCOUNT	MEMO	AMOUNT
08/08/2023	DEP			Cash Equivalents:Cash in Bank-Farmers Bank	Deposit	12,813.54
08/08/2023	DEP		Ferguson Enterprises, Inc.	Water Treatment Expenses:Repair & Maintenance-Water ...		-12,813.54
01/11/2023	CHK	31044	Ferguson Waterworks	Cash Equivalents:Cash in Bank-Farmers Bank		-12,813.54
01/11/2023	CHK		Ferguson Waterworks	Water Treatment Expenses:Repair & Maintenance - Water Pl		12,813.54
12/01/2022	BILL	0259740	Ferguson Waterworks	Accounts Payable		-12,813.54
12/01/2022	BILL		Ferguson Waterworks	Water Treatment Expenses:Repair & Maintenance-Water ...		12,813.54

- b. Provide a list of suppliers and amounts for any other spending during the test year that was covered by insurance besides the GlobalTech Power expenditure for \$10,000.

Response: Twin Lakes Electric \$25,900 (This was actually spending in December of 2022, but insurance money was received in 2023).

- c. For each Item that Crittenden-Livingston District described as not being capitalized, provide the frequency in years for how often Crittenden-Livingston District performs the listed activity.

**Response: Global Tech Power \$10,000.00
Not recurring, repairs due to lightning strike, covered by insurance.**

**All Service Contracting Corp \$22,446.00
Filter rehab every 10-15 years on each of 3 filters.**

**Pittsburgh Tank & Tower \$29,427.30
Filter rehab every 10-15 years on each of 3 filters.**

**Southern Electric Motor Sales & Service \$16,237.11
Not recurring, only replaced if not functioning.**

**Sidener \$4,826.79
Every 1 year.**

**All Service Contracting Corp \$125,562.00
Filter rehab, every 10-15 years on each of 3 filters.**

**HTI \$9,412.00
Not recurring, only upgraded as deemed necessary and when issues arise.**

**Xylem \$4,267.56
Lagoon cleanout every 2 years**

**Mainstream Commercial Divers \$4,127.10
One time service, not recurring.**

**Complete Restoration \$17,972.50
Tank painting as deemed necessary per inspection reports.**

**Complete Restoration \$17,972.50
Tank painting as deemed necessary upon inspection reports.**

Southern Electric Motor Sales & Service \$7,454.23

Not recurring, as needed

Southern Electric Motor Sales & Service \$2,060.00
Filter rehab, every 10-15 years on each of 3 filters.

Independent Tank & Tower \$11,000.00
As needed per inspection.

Southern Electric Motor Sales & Service \$13,607.38
Not recurring as needed.

Guthrie Sales & Service \$3,616.63
Not recurring, one time service.

Midco Diving & Marine Services \$9,317.35
Not recurring, one time service

- d. Specifically refer to Item 3, Invoice from All Service Contracting Corp on page 10 in the amount \$125,562, that shows the invoice being marked to be capitalized. Also refer to Item 4, which states the amount should not have been capitalized. Provide an explanation for the discrepancy in accounting treatment for the asset purchased.

Response: This was a note made in QuickBooks for our accountant in error. Office staff thought this was an item that could be capitalized but was advised by our accountant that since it was a service made to existing equipment and not a purchase of a new piece of equipment it could not be capitalized. The note was not removed from our QuickBooks software in error; however, the item should not have been capitalized.

2. Refer to Crittenden-Livingston District's response to Staff's Second Request, Item 17b, Miscellaneous Expenses, demonstrating three expenditures from Wal-Mart for employee safety awards totaling \$2,689. Provide written documentation regarding the employee safety awards to identify the employees eligible for the safety awards, the employees granted the safety awards and how the amount of each award is determined, including copies of any policies and procedures currently in place that address the issuance of bonuses or awards.

Response: All current employees at this time were given a gift card in the amount of \$200 as a safety award. The gift cards also had a small activation fee which caused the amount paid to be slightly higher. All employees were deemed to be eligible to receive the same award as there were no incidents reported for the year. The amount of the award was determined by the superintendent at the time. There are currently no

policies and procedures in place that address the issuance of bonuses or awards.

3. Refer to Crittenden-Livingston District's response to Staff's Second Request, Items 25 and 26, which relates to the Kentucky Association of Counties (KACo) Finance Corporation Lease Agreement identified in Crittenden-Livingston District's 2024 Board Minutes.
 - a. Item 26, the self-reporting letter, referenced an attached Lease Agreement between Crittenden-Livingston District and KACo. However, the Lease Agreement was not attached to the letter. Provide a copy of the referenced Lease Agreement.

Response: See file 3a_KACO_Lease_Agreement

- b. Identify and provide the portion of the \$330,000 Lease Agreement proceeds which were expended on or before April 30, 2025, and provide the account numbers where the Lease Agreement proceeds are classified in the general ledger.

Response: KACO2023 is setup as a liability account and the draws are being posted to that account. \$310,000 is being recognized. A deposit for \$242,400 was received in October 2024 and \$67,600 is still receivable for expenses already incurred bringing the total received and/or receivable to \$310,000. The \$242,000 were expended to GlobalTech Power for the first installment on the new generator for the plant expansion project.